

Rewald's CIA Link Established; FBI Takes Classified Documents

By Charles Memminger
Star-Bulletin Writer

With acknowledgment by the U.S. Attorney's office yesterday that some "classified" documents were found in Bishop, Baldwin, Rewald, Dillingham & Wong's files, discussions have now changed from "whether" Ronald R. Rewald worked for the CIA to how extensive his involvement with the agency was.

U.S. Judge Martin Pence yesterday appointed an FBI agent with national security clearance to take custody of six packets of classified documents found by CIA and FBI agents who sifted through a mountain of records from the company.

Pence also ordered bankruptcy trustee Thomas Hayes to turn over any copies of a classified document "presently in his possession" and for Rewald's attorney, Brook Hart, to turn over any copies of classified material he might have.

Hayes said he would turn

over the document, which is a letter Rewald sent earlier this year to Jack Rardin, head of the CIA office here.

In the letter, Rewald asked that the CIA intervene in an Internal Revenue Service investigation of Rewald's tax liabilities, pointing out that the investigation would hurt Rewald's "cover," Hayes said.

HAYES SAID the letter was "something the CIA had obviously missed," when agents went through the files three weeks ago. Hayes found the letter after all of the records were returned to him. He gave the original letter to the CIA reviewing team on Aug. 24, he said, but kept a copy of it.

Hayes said he believes Rewald was merely a "bit player" for the CIA and that the company may have been used as a CIA "mail drop."

Rewald is under criminal investigation by the IRS, and a federal magistrate recently gave IRS investigators the power to

seize Rewald's financial records.

Hayes said Rewald's CIA connection has nothing to do with the fact that he apparently misused millions of dollars of investors' money.

"There is nothing in the letter that would indicate any link between his role as a CIA mail drop and any of his activities involving investors," Hayes said yesterday.

Police sources who have been investigating Rewald and, his bankrupt company also have said they suspect Rewald only had a minor role with the CIA, possibly passing information on to John Kindschl, the former head of the CIA office here who worked as one of Rewald's consultants after retiring.

BUT A FORMER consultant to Rewald, who asked not to be named because of possible pending litigation, said he believes Rewald had a more important role. He said classified informa-

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Israelis Choosing Begin's Successor

By Allyn Fisher

TEL AVIV, Israel (AP) — Deputy Prime Minister David Levy and Foreign Minister Yitzhak Shamir each claimed to be assured of victory today in balloting to succeed Menachem Begin

either candidate. In the past, he has preferred Shamir, 68, who was a comrade of Begin's in the underground fight for a Jewish state.

The leadership race was set in motion Tuesday when Begin said he was



Leftists Massacre 24

Lebanese Christians

By Terry A. Anderson

BEIRUT, Lebanon (AP) — Leftist Druse militiamen massacred 24 Christians in a central Lebanese village in retaliation for an army sweep of Moslem Shiite and Druse militia strongholds in west Beirut, police said today.

Beirut. They said 24 people were killed. The Rightist Voice of Lebanon radio said 40 people were killed.

Voice of Lebanon, operated by the Christian Phalange Party, said the Druse militiamen stormed the homes of the village's few remaining Christians and "butchered about 40 elderly persons and children with knives, including a town's priest, Gergis El-Raj," it said. Only one resident survived, it police said. The death toll was, according to reports they received.

Beirut radio stations said the area around Gemayel's palace in suburban Baabda and the Dillon mansion at neighboring Yarze were shelled from Syrian-controlled mountaintops in central Lebanon but that neither was hit.

A SPOKESMAN at the Israeli army press center in Yarze, five miles east of Beirut, said there was no indication Dillon's mansion was a target.

State radio said the shelling started when U.S. presidential envoy Robert C. McFarlane and Dillon were in conference with Gemayel at the presidential palace.

Associated Press photographer Bill Foley said he saw six shells fall around the Lebanese Defense ministry compound in Yarze, which houses the army command. Foley said he could not tell if the main ministry building was hit.

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By Walter Wrigley
Adventist Staff Writer

The Central Intelligence Agency judge yesterday what had classified documents should be kept secret.

But the CIA's a classified, and the behind closed doors, the CIA's connect investment firm.

U. S. District Court ruled that the CIA could not argue that its arguments again so it they must remain national security."

The legal moves persuaded yet that remain secret, and movement from the CIA

Rewald, head of
Rewald, Dillingham
investigators have

When Rewald v. attempt just before

Aug. 1, he reportedly "Sunlin 'Sunny' Wong" get him off the hook. In statement to the press.

Investors and creditors

Until now, Rewald's
tion with the CIA was
consultants, John "Jack"
in charge of the agency

There has been speculation that the agency may have considered the company's several foreign offices — a practice not uncommon in the intelligence business.

The other public relations activities relating to another consultant, re Edwin "Ned" Avary. A bankruptcy court hearing team to try to assist the might say was a series they had."

That apparently was fort by Avary and other to get retired Gen. H Force commander of the drinking problem.

Harris, who was convicted recently, denied he is a member of the group and tried to brand him one.

Harris was a friend of
planned to become one

The current command Pacific, Gen. Arnold Br... ed working for Rewards than \$100,000 with the involved in an effort to

That project could have documents if the government had become a security edge of secret government because of his health problems.

Attorney Brook Harrison said Oswald's criminal defense team would file a motion to seal the records by Aug. 7 to seal them until after the trial. He said he saw some papers from the CIA stationery, which was a company that

Pence obliged, and CIA per-
reviewed some of the papers.

The legal activity behind Pence's chambers yesterday the link.

U.S. Attorney Daniel Bent said that he was in agreement with the court that he was not going to release the results of the review of the records. He said that he was further protection of the records so he was not going to release copies of the records so he was not going to refine their plea that the records were not relevant.

Pence obliged on all counts
 bert L. Heafner, the security
 for the FBI here, to main-
 records.

Bent said the classified documents were placed in six envelopes in the trunk of a car from A through F, and including the envelope delivered to the court by Harman. The bankruptcy trustee Thomas H.

Bent said he had a CIA affidavit "explaining the fact that the CIA had given the Oswald which give rise to the classified documents and why it is classified."

The U. S. attorney gave P an affidavit yesterday behind closed doors.



**don
chapman**

Don Chapman is on vacation.

Hawaii Report

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